

Part 2 of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of New Frontier Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 617-482-1433 or akuno@newfrontieradvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about New Frontier Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that any references within this brochure to an entity being a "registered investment adviser" or "registered" merely indicate the registration status of the referenced entity, and do not do not imply a certain level of skill or training.

Item 2. Material Changes

Since this Brochure was last updated on March 31, 2015, the following changes have been made that may be considered material:

- The firm entered a solicitation arrangement with a sales representative for sales leads outside of North America. See Item 14.

Item 3.

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Item 4. Advisory Business

New Frontier Advisors, LLC (NFA) is an investment software company founded in 1999. NFA provides financial software to investment advisors, and other financial institutions. NFA's principal shareholder is New Frontier Management Company, LLC, a registered investment advisor that also uses our software. Richard Omer Michaud, the President and CEO, and Robert Omer Michaud, Chief Investment Officer, indirectly own 25% or more of the firm.

NFA provides investment advisory software to worldwide clients who use it to create a variety of investment products—tactical model portfolios, strategic portfolios used as guidelines, liability studies, financial plans, sets of asset allocations, etc. We provide training, consulting, and software customization to support them as they service their investment clients. Occasionally, we perform consulting projects, researching issues of interest to clients ranging from how to use the software to address their specific problem or the statistical importance of a particular asset. Consulting revenue is less than 10% of the total revenue.

While some standard and widely-known financial formulas are included in NFA's software products, the heart of the software is unique and patented. NFA's optimization technology is an enhancement to modern portfolio theory, accounting for the uncertainty of information inherent in investment. Similarly, our patented rebalance test provides a statistical indication of when trading a specific portfolio might be effective. The software relies on the user to select the investment universe, provide data, choose statistical estimators for smoothing the data, apply constraints pertaining to the client's investment mandate, and chose the appropriate portfolio for investment.

Item 5. Fees and Compensation

NFA's fees are generally fixed fees determined based on the number of user licenses, size of the client, and extent to which the client utilizes the NFA software. There are a few clients with fees based on a percentage of assets under management or revenue with a minimum fixed fee. For consulting engagements, NFA charges fees based on an estimate of the time required to complete the engagement. NFA invoices clients quarterly, monthly, or annually depending on the contract terms negotiated with the individual client. Most clients are invoiced in advance for the services provided. The advance payments cover periods that are equal to or less than the contract terms that the clients have committed to. As the result, refunds are not required due to cancellations. If there was a situation where a refund was required, the calculation would involve prorating the fee over the remaining billing term.

NFA retains the discretion to negotiate alternative fees on a client-by-client basis. Client circumstances—including the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, reports, and other factors—

will be considered in determining the fee schedule. The specific annual fee schedule will be identified in the contract between NFA and each client.

Item 6. Performance-Based Fees and Side-By-Side Management

NFA does not charge performance-based fees.

Item 7. Types of Clients

NFA provides advisory services in the form of software to investment advisors, private wealth managers, family offices, and other investment advisory institutions.

Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss

NFA's software can be used for many methods of analysis and investment strategies. Our current clients use it for research studies, financial plans, model portfolio construction, tactical portfolio construction, report generation, portfolio monitoring, and other investment activities. The software provides a statistically rigorous view into the uncertain world of finance, increasing the effectiveness of diversification and rebalancing.

Michaud Optimization

Mean-variance optimization, the traditional method for developing efficient frontiers, takes the provided risk and return estimates, finds correlations between the assets' performance, and calculates the efficient frontier. This method treats the estimates as facts. If a manager forecasts that European stock will return 10% one year and that Japanese stock will return 10.001% for the same year, and then uses traditional mean-variance optimization to find an efficient frontier, the resulting portfolios usually favor Japanese stock even though there is only one thousandth of a difference in the estimates. Traditional optimization, by ignoring investment uncertainty, gives too much weight to miniscule differences between estimates.

NFA's patented Michaud optimization process utilizes a Monte Carlo technique to produce multiple sets of statistically-equivalent risk-return estimates based on the provided estimates. These sets of estimates are then used to compute multiple efficient frontiers, exploring the many possible ways for the market to perform given the original estimates. The software develops the Michaud Efficient Frontier™ by averaging all of the frontiers developed from the statistically equivalent risk-return estimates. Michaud optimization is an averaging process that distills all the alternative efficient

frontiers into a new efficient frontier. In this way, the Michaud Efficient Frontier considers thousands of possible futures, instead of betting on just one future.

Michaud-Esch Portfolio Monitoring

The need to rebalance a portfolio effectively is one of the critical responsibilities of sophisticated asset management. All investment strategies need to be rebalanced periodically, as the portfolios drift from their original allocations. A rigorous basis for defining portfolio rebalancing has been an open question for over 50 years. Portfolio rebalancing has been based largely on ad hoc criteria with little theoretical or empirical justification. Rebalancing rules in practice are frequently calendar based; e.g., monthly, quarterly, or annual. Alternatively, managers employ range rules and rebalance the portfolio when an asset drifts outside of a prescribed range relative to optimality. Such rules are often ineffective.

Rebalancing requires a measure of statistical significance to determine whether the optimal portfolio is different from the current portfolio in terms of likely performance in the investment period. NFA's technology provides the statistical tool for creating a rigorous procedure for portfolio rebalancing. Our patented rebalancing test determines whether or not a significant difference exists between the selected portfolio on the efficient frontier and the current holdings relative to likely performance. This need-to-trade test prevents ineffective and costly trades while enhancing investment value.

Risk of Loss

NFA helps our clients to understand the implications of the investment decisions they make with the software, but all investment decisions are made by the client. NFA does not select securities, provide data, or select specific portfolios. User error and the exercise of individual discretion in setting up a case are significant risks. In addition, investing in securities involves risk of loss, regardless of the methods of analysis, optimization, and rebalancing used. Clients should be prepared to bear this risk of loss.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

NFA is affiliated with New Frontier Management, LLC, a registered investment advisor. New Frontier Management provides marketing, distribution, management, and administration to NFA.

NFA provides investment software and technical support to New Frontier Management. Members of NFA are also employees and managers of New Frontier Management and are compensated as such.

Item 11. Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees. The Code was developed in accordance with the requirements of SEC Rule 204A-1 under the Investment Advisers Act of 1940.

The first principle that governs the conduct of New Frontier and our personnel is that each of us must act as a fiduciary of our client's affairs and each of us therefore owes a duty of undivided loyalty and utmost good faith to each client and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, related persons may have an interest or position in securities which may be recommended to a client. However, it is the expressed policy of our firm that no access person may purchase or sell any security immediately prior to or after a transaction(s) being recommended to an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. To further mitigate any potential conflicts of interest that could arise from personal securities transactions or holdings, our Code of Ethics includes policies and procedures for the firm's access persons to submit initial and annual securities holdings reports, and quarterly securities transactions reports, for review by the firm's Chief Compliance Officer. Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

New Frontier's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be misused.

Our Code of Ethics is generally designed to ensure that the personal securities transactions, activities and interests of our employees will not interfere with those employees making decisions in the best interest of advisory clients. We have established policies requiring the reporting of Code of Ethics violations to our senior management, and we require acknowledgement of the Code of Ethics by each supervised person of our firm.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to akuno@newfrontieradvisors.com, or by calling us at 617 482 1433.

Item 12. Brokerage Practices

NFA does not select or recommend broker-dealers to anyone.

Item 13. Review of Accounts

NFA does not manage any client accounts.

Item 14. Client Referrals and Other Compensation

NFA has a solicitor agreement with a sales representative in the UK for sales leads outside of North America. This sales representative is paid a retainer fee and also receives commission based on a percentage of management fees and net licensing fees he generates. It is New Frontier's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15. Custody

NFA does not have actual or constructive custody of client accounts.

Item 16. Investment Discretion

NFA does not manage either discretionary or non-discretionary client accounts.

Item 17. Voting Client Securities

NFA does not have control of client accounts. We do not offer any consulting assistance regarding proxy issues to anyone.

Item 18. Financial Information

NFA does not have discretionary authority or custody over any client funds.

New Frontier has not been the subject of a bankruptcy petition at any time during the past ten years.

The contract terms for a few customers provide for annual invoicing in advance. When invoicing in advance occurs, revenue is deferred on the balance sheet and then recognized as revenue over the term the service is provided. As of December 31, 2015, there was a small balance in deferred revenue; however the remaining billing term was less than six months for all the clients with balances.